
Section 1: 8-K (8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM 8-K
CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
April 23, 2018



TCF FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-10253
(Commission File Number)

41-1591444
(IRS Employer Identification No.)

200 Lake Street East, Mail Code EX0-03-A, Wayzata, Minnesota 55391-1693
(Address of principal executive offices, including Zip Code)

(952) 745-2760
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Retirement of James M. Ramstad

On April 23, 2018, James M. Ramstad notified TCF Financial Corporation (“TCF” or the “Company”) that he will retire from TCF’s Board of Directors effective May 2, 2018.

Amended and Restated TCF Financial 2015 Omnibus Incentive Plan

On April 25, 2018, at the 2018 Annual Meeting of Stockholders (the “2018 Annual Meeting”) of TCF, stockholders approved an amended and restated TCF Financial 2015 Omnibus Incentive Plan (the “Omnibus Plan”) to increase the number of shares authorized for issuance under the Omnibus Plan by 4 million shares. The increase in shares under the Omnibus Plan was previously approved by the Board of Directors of TCF in January 2018 subject to stockholder approval.

A more detailed description of the Amended and Restated TCF Financial 2015 Omnibus Incentive Plan can be found in the 2018 Proxy Statement. A copy of the Amended and Restated TCF Financial 2015 Omnibus Incentive Plan is attached hereto as Exhibit 10.1 and is incorporated by reference herein.

Amended and Restated Directors Stock Grant Program

Stockholders also approved an amended and restated Directors Stock Grant Program at the 2018 Annual Meeting which (i) increases the value of the annual grant of time-vesting restricted stock to each Director from \$45,000 to \$55,000, (ii) makes a one-time true-up grant of time-vesting restricted stock valued at \$10,000 to each Director on May 1, 2018 after the approval of the Amended and Restated Directors Stock Grant Program by the stockholders at the 2018 Annual Meeting, and (iii) makes other technical and clarifying changes. Additionally, the term of the Directors Stock Grant Program was extended from April 25, 2022 to April 25, 2028. The Amended and Restated Directors Stock Grant Program was previously approved by the Board of Directors of TCF in January 2018 subject to stockholder approval.

A more detailed description of the Amended and Restated Directors Stock Grant Program can be found in the 2018 Proxy Statement. A copy of the Amended and Restated Directors Stock Grant Program is attached hereto as Exhibit 10.2 and is incorporated by reference herein.

Craig R. Dahl Employment Agreement

On April 25, 2018, TCF entered into an Employment Agreement with Craig R. Dahl, the Company’s Chief Executive Officer (the “Employment Agreement”). The Employment Agreement supersedes Mr. Dahl’s current employment agreement with TCF and will continue through December 31, 2020; provided that if a Change in Control takes place during the term of the Employment Agreement, the Employment Agreement will terminate on the later of December 31, 2020 or twenty-four months after the date of the Change in Control. Pursuant to the Employment Agreement, Mr. Dahl is entitled to receive an annual salary of at least \$927,000 and severance benefits as set forth below.

Upon a termination by TCF without Cause or by Mr. Dahl for Good Reason, Mr. Dahl would be entitled to receive a lump sum payment equal to two and one-half times his base salary unless the termination took place on or after the date which is six months prior to a Change in Control, in which case Mr. Dahl would be entitled to receive a lump sum payment equal to two and one-half times the sum of his base salary and annual bonus (which for purposes of this formula shall be equal to 100% of Mr. Dahl’s base salary). In addition, if Mr. Dahl’s employment is terminated by TCF without Cause or by Mr. Dahl for Good Reason and such termination occurs after the end of the Company’s fiscal year but prior to the payment of any annual cash incentive applicable to such fiscal year, TCF shall pay Mr. Dahl the annual incentive earned under such incentive program when such amounts are paid to other participants in the program.

At Mr. Dahl’s election, TCF will pay the monthly premiums for COBRA coverage for up to 12 months following a termination by the Company without Cause or by Mr. Dahl for Good Reason. “Cause,” “Good Reason,” and “Change in Control” have the meanings provided in the Employment Agreement. The foregoing description of the agreement is qualified in its entirety by reference to the full text of the Employment Agreement, a copy of which is attached hereto as Exhibit 10.3 and is incorporated by reference herein.

Item 5.07 Submission of Matters to a Vote of Security Holders

The following is a brief description of each matter voted on at the 2018 Annual Meeting and the number of votes cast for, withheld, or against, as well as the number of abstentions and broker non-votes for each proposal.

	For	Withheld	Broker Non-Votes	
1. Election of Directors				
Peter Bell	138,090,106	1,142,248		10,747,869
William F. Bieber	137,288,862	1,943,492		10,747,869
Theodore J. Bigos	138,305,081	927,273		10,747,869
Craig R. Dahl	135,178,482	4,053,872		10,747,869
Karen L. Grandstrand	138,735,364	496,990		10,747,869
Thomas F. Jasper	135,302,159	3,930,195		10,747,869
George G. Johnson	136,073,817	3,158,537		10,747,869
Richard H. King	138,293,208	939,146		10,747,869
Vance K. Opperman	136,097,280	3,135,074		10,747,869
James M. Ramstad	138,670,451	561,903		10,747,869
Roger J. Sit	138,716,893	515,461		10,747,869
Julie H. Sullivan	138,407,831	824,523		10,747,869
Barry N. Winslow	137,963,440	1,268,914		10,747,869
	For	Against	Abstentions	Broker Non-Votes
2. Approve an amended and restated TCF Financial 2015 Omnibus Incentive Plan to increase the number of shares available under the plan by 4 million shares	131,661,887	7,384,740	185,727	10,747,869
3. Approve an amended and restated Directors Stock Grant Program to increase the value of the annual grant of restricted stock to \$55,000	135,866,958	3,218,476	146,920	10,747,869
4. Advisory (Non-binding) Vote to Approve Executive Compensation	131,993,301	7,038,331	200,722	10,747,869
5. Advisory (Non-binding) Vote to Ratify the Appointment of KPMG LLP as Independent Registered Public Accountants for the Fiscal Year Ending December 31, 2018	145,426,134	4,473,072	81,017	—

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amended Restated TCF Financial 2015 Omnibus Incentive Plan
10.2	Amended and Restated Directors Stock Grant Program
10.3	Employment Agreement between Craig R. Dahl and TCF Financial Corporation, effective as of April 25, 2018.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TCF FINANCIAL CORPORATION

/s/ Craig R. Dahl

Craig R. Dahl,
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

/s/ Brian W. Maass

Brian W. Maass,
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ Susan D. Bode

Susan D. Bode,
Senior Vice President and Chief Accounting Officer
(Principal Accounting Officer)

Dated: April 27, 2018

[\(Back To Top\)](#)

Section 2: EX-10.1 (EXHIBIT 10.1)

EXHIBIT 10.1

AMENDED AND RESTATED

TCF FINANCIAL 2015 OMNIBUS INCENTIVE PLAN

(As Amended Effective April 25, 2018)

1. Purpose; Eligibility.

1.1 General Purpose. The name of this plan is the TCF Financial 2015 Omnibus Incentive Plan (the "Plan"). The purposes of the Plan are to (a) enable TCF Financial Corporation, a Delaware Corporation (the "Company"), and any Affiliate to attract and retain the types of Employees who will contribute to the Company's long range success; (b) provide incentives that align the interests of Employees with those of the stockholders of the Company; and (c) promote the success of the Company's business. This Plan is intended to serve as the Company's primary vehicle for equity compensation awards and long-term cash incentive awards for Employees, as well as annual cash incentive awards for the Company's Officers. Following the date that this Plan is approved by the Company's stockholders, no further equity compensation awards shall be granted pursuant to any Predecessor Plan (it being understood that outstanding awards under such plans will continue to be settled pursuant to the terms of such plans).

1.2 Eligible Award Recipients. The persons eligible to receive Awards are the Employees of the Company and its Affiliates and such other individuals designated by the Committee who are reasonably expected to become Employees after the receipt of Awards.

1.3 Available Awards. Awards that may be granted under the Plan include: (a) Incentive Stock Options, (b) Non-qualified Stock Options, (c) Stock Appreciation Rights, (d) Restricted Awards (including Performance-Based Restricted Awards), (e) Other Stock-Based Awards (including an Other Stock-Based Performance Award), (f) Performance Cash Awards, and (g) any Qualified Performance-Based Award.

2. Definitions.

“**Affiliate**” means a corporation or other entity that, directly or through one or more intermediaries, controls, is controlled by or is under common control with, the Company.

“**Applicable Laws**” means the requirements related to or implicated by the administration of the Plan under applicable state corporate law, United States federal and state securities laws, the Code, any stock exchange or quotation system on which the shares of Common Stock are listed or quoted, and the applicable laws of any foreign country or jurisdiction where Awards are granted under the Plan.

“**Award**” means any right granted under the Plan, including an Incentive Stock Option, a Non-qualified Stock Option, a Stock Appreciation Right, a Restricted Award (including a Performance-Based Restricted Award), an Other Stock-Based Award (including an Other Stock-Based Performance Award), a Performance Cash Award or any Qualified Performance-Based Award.

“**Award Agreement**” means a written agreement, contract, certificate or other instrument or document evidencing the terms and conditions of an individual Award granted under the Plan which may, in the discretion

of the Company, be transmitted electronically to any Participant. Each Award Agreement shall be subject to the terms and conditions of the Plan.

“Beneficial Owner” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3) of the Exchange Act), such “person” shall be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms “Beneficially Owns” and “Beneficially Owned” have a corresponding meaning.

“Board” means the Board of Directors of the Company, as constituted at any time.

“Cause” means: The Committee, in its absolute discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause.

With respect to any Employee:

(a) If the Employee is a party to an employment or service agreement with the Company or its Affiliates and such agreement provides for a definition of Cause, the definition contained therein; or

(b) If no such agreement exists, or if such agreement does not define Cause: (i) the commission of, or plea of guilty or no contest to, a felony or a crime involving moral turpitude or the commission of any other act involving willful malfeasance or material fiduciary breach with respect to the Company or an Affiliate; (ii) conduct that results in or is reasonably likely to result in harm to the reputation or business of the Company or any of its Affiliates; (iii) gross negligence or willful misconduct with respect to the Company or an Affiliate; or (iv) material violation of state or federal securities laws.

“Change in Control”

(a) One Person (or more than one Person acting as a group) acquires ownership of stock of the Company that, together with the stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company; provided, that, a Change in Control shall not occur if any Person (or more than one Person acting as a group) owns more than 50% of the total fair market value or total voting power of the Company’s stock and acquires additional stock;

(b) A change in the composition of the Board such that the individuals who are serving as members of the Board as of the Effective Date, together with any new member of the Board (other than a member of the Board whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company’s stockholders was approved or recommended by a vote of at least a majority of the members of the Board then still in office who either were members of the Board on the Effective Date or whose appointment, election or nomination for election was previously so approved or recommended, cease for any reason to constitute a majority of the number of the members of the Board then serving; or

(c) There is consummated a merger or consolidation of the Company or any subsidiary with any other corporation or other entity, other than (A) a merger or consolidation immediately following which (x) the voting securities of the Company outstanding immediately prior to such merger or consolidation continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding

securities under an employee benefit plan of the Company or any subsidiary, at least 50% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation and (y) the individuals who comprise the Board immediately prior thereto constitute a majority of the board of directors of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger is then a subsidiary, the ultimate parent thereof, or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets (it being conclusively presumed that any sale or disposition is a sale or disposition by the Company of all or substantially all of its assets if the consummation of the sale or disposition is contingent upon approval by the Company's stockholders unless the Board expressly determines in writing that such approval is required solely by reason of any relationship between the Company and any other Person or an Affiliate of the Company and any other Person), other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity (A) at least 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale or disposition and (B) the majority of whose board of directors immediately following such sale or disposition consists of individuals who comprise the Board immediately prior thereto.

“Code” means the Internal Revenue Code of 1986, as it may be amended from time to time. Any reference to a section of the Code shall be deemed to include a reference to any regulations promulgated thereunder.

“Committee” means a committee of one or more members of the Board appointed by the Board to administer the Plan in accordance with Section 3.3 and Section 3.4.

“Common Stock” means the common stock, \$.01 par value per share, of the Company, or such other securities of the Company as may be designated by the Committee from time to time in substitution thereof.

“Company” means TCF Financial Corporation, a Delaware corporation, and any successor thereto.

“Continuous Service” means that the Participant's service with the Company or an Affiliate is not interrupted or terminated. The Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Company or an Affiliate or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's Continuous Service; provided further that if any Award is subject to Section 409A of the Code, this sentence shall only be given effect to the extent consistent with Section 409A of the Code. For example, a change in status from an Employee of the Company to an employee of an Affiliate will not constitute an interruption of Continuous Service. The Committee or its delegate, in its sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal or family leave of absence.

“Covered Employee” has the same meaning as set forth in Section 162(m)(3) of the Code, as interpreted by IRS Notice 2007-49.

“Deferred Restricted Stock” has the meaning set forth in Section 7.2(d) hereof.

“Deferred Stock Units” has the meaning set forth in Section 7.2(d) hereof.

“Director” means a member of the Board.

“Disability” means that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment; provided, however, for purposes of determining the term of an Incentive Stock Option pursuant to Section 6.8 hereof, the term Disability shall have the meaning ascribed to it under Section 22(e)(3) of the Code. The determination of whether an individual has a Disability shall be determined under procedures established by the Committee. Except in situations where the Committee is determining Disability for purposes of the term of an Incentive Stock Option pursuant to Section 6.8 hereof within the meaning of Section 22(e)(3) of the Code, the Committee may rely on any determination that a Participant is disabled for purposes of benefits under any long-term disability plan maintained by the Company or any Affiliate in which a Participant participates.

“Disqualifying Disposition” has the meaning set forth in Section 14.12.

“Effective Date” shall mean the date that this Plan is adopted by the stockholders.

“Employee” means any person, including an Officer, employed by the Company or an Affiliate; provided, that an Employee shall mean an employee of the Company or a parent or subsidiary corporation within the meaning of Section 424 of the Code and mere service as a Director or payment of a director’s fee by the Company or an Affiliate shall not be sufficient to constitute “employment” by the Company or an Affiliate.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Fair Market Value” means, as of any date, the value of the Common Stock as determined below. If the Common Stock is listed on any established stock exchange or a national market system, including without limitation, the New York Stock Exchange or the NASDAQ Stock Market, the Fair Market Value shall be the closing price of a share of Common Stock (or if no sales were reported the closing price on the date immediately preceding such date) as quoted on such exchange or system on the day of determination, as reported in the Wall Street Journal or such other source as the Committee deems reliable. In the absence of an established market for the Common Stock, the Fair Market Value shall be determined in good faith by the Committee and such determination shall be conclusive and binding on all persons.

“Free Standing Rights” has the meaning set forth in Section 7.1(a).

“Good Reason” means:

(a) If an Employee or Consultant is a party to an employment or service agreement with the Company or its Affiliates and such agreement provides for a definition of Good Reason, the definition contained therein; or

(b) If no such agreement exists or if such agreement does not define Good Reason, the occurrence of one or more of the following without the Participant’s express written consent, which circumstances are not remedied by the Company within thirty (30) days of its receipt of a written notice from the Participant describing the applicable circumstances (which notice must be provided by the Participant within ninety (90) days of the Participant’s knowledge of the applicable circumstances): (i) any material, adverse change in the Participant’s duties, responsibilities, authority, title, status or reporting structure; (ii) a material reduction in the Participant’s base salary or bonus opportunity other than as part of a general reduction of salary or bonus opportunity for similarly situated Employees; or (iii) a geographical relocation of the Participant’s principal office location by more than fifty (50) miles.

“Grant Date” means the date on which the Committee adopts a resolution, or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such date as is set forth in such resolution.

“Incentive Stock Option” means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

“Negative Discretion” means the discretion authorized by the Plan to be applied by the Committee to eliminate or reduce the size of a Performance Cash Award in accordance with Section 7.5(d)(iv) of the Plan; provided, that, the exercise of such discretion would not cause the Performance Cash Award to fail to qualify as “performance-based compensation” under Section 162(m) of the Code.

“Non-Employee Director” means a Director who is a “non-employee director” within the meaning of Rule 16b-3.

“Non-qualified Stock Option” means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

“Officer” means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

“Option” means an Incentive Stock Option or a Non-qualified Stock Option granted pursuant to the Plan.

“Option Exercise Price” means the price at which a share of Common Stock may be purchased upon the exercise of an Option.

“Optionholder” means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

“Other Stock-Based Performance Award” has the meaning set forth in Section 7.3.

“Outside Director” means a Director who is an “outside director” within the meaning of Section 162(m) of the Code and Treasury Regulations Section 1.162-27(e)(3) or any successor to such statute and regulation.

“Participant” means an eligible person to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

“Performance-Based Award” means any award granted subject to the achievement of Performance Goals, including any Performance Cash Award, Performance-Based Restricted Stock Award, Performance-Based Restricted Stock Units, Other Stock-Based Performance Awards and any Qualified Performance-Based Award.

“Performance-Based Restricted Awards” refers to any Performance-Based Restricted Stock or Performance-Based Restricted Stock Units.

“Performance-Based Restricted Stock” has the meaning set forth in Section 7.2(a).

“Performance-Based Restricted Stock Units” has the meaning set forth in Section 7.2(a).

“Performance Cash Award” means any Award designated by the Committee as a Performance Cash Award pursuant to Section 7.4 of the Plan.

“Performance Criteria” means the criterion or criteria that the Committee shall select for purposes of establishing the Performance Goal(s) for a Performance Period with respect to any Performance-Based Award under the Plan. The Performance Criteria that will be used to establish the Performance Goal(s) shall be based on the attainment of specific levels of performance of the Company (or Affiliate, division, business unit or operational unit of the Company) and shall be limited to the following: (a) net income (before or after taxes); (b) earnings or earnings growth (including one or more of net profit after tax, gross profit, operating profit, earnings before interest and taxes (EBIT), earnings before interest, taxes, depreciation and amortization (EBITDA), and net earnings); (c) basic or diluted earnings per share (before or after taxes); (d) net revenue or net revenue growth; (e) gross revenue; (f) net operating profit (before or after taxes); (g) returns (including, but not limited to, returns on assets (net, gross, pre-tax, pre-provision or pro forma), capital, invested capital, equity, common equity, tangible common equity, sales, stockholders’ equity, or tangible stockholders’ equity); (h) cash flow (including, but not limited to, operating cash flow, free cash flow, and cash flow return on capital or equity); (i) margins (including, but not limited to, gross, operating or net interest; (j) improvements in capital structure; (k) budget and expense management; (l) ratios (including, but not limited to, price to earnings, debt to assets, debt to net assets, non-interest income to average assets, provision for loan and lease losses to assets, and ratios regarding capital, liquidity, solvency, fiscal capacity, productivity or risk); (m) economic value added or other value added measurements; (n) share price (including, but not limited to, growth measures and total stockholder return); (o) expense targets; (p) market capitalization; (q) operating efficiency; (r) working capital; (s) enterprise value; (t) market share; (u) deposit growth; (v) workforce satisfaction or diversity goals; (w) sustainability goals; (x) employee retention; (y) customer satisfaction; (z) strategic business objectives, consisting of one or more objectives based upon meeting specified cost targets, business expansion goals, and goals relating to acquisitions or divestitures, or goals relating to capital raising and capital management; (aa) net interest rate spread; (bb) loan production volume; (cc) classified assets; (dd) non-performing assets; (ee) provision for loan and lease losses; (ff) any performance metric relating to balance sheet items (including, but not limited to, non-accrual loans, accruing loans and leases) or (gg) any performance metric relating to income statement items (including, but not limited to, interest income, non-interest income, non-interest expense or any subset thereof).

Any one or more of the Performance Criteria may be used on an absolute or relative basis to measure the performance of the Company and/or an Affiliate as a whole or any division, business unit, operational unit or geographic unit of the Company and/or an Affiliate or any combination thereof, as the Committee may deem appropriate, or as compared to the performance of a group of comparable companies, or published or special index that the Committee, in its sole discretion, deems appropriate, or the Committee may also select Performance Criteria (n) above as compared to various stock market indices. Any Performance Criteria may be used individually or in combination with any other Performance Criteria, and may be further defined in the applicable Award Agreement. The Committee also has the authority to provide for accelerated vesting of any Award based on the achievement of Performance Goals pursuant to the Performance Criteria specified in this paragraph. To the extent required under Section 162(m) of the Code, the Committee shall, within the first 90 days of a Performance Period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code), define in an objective fashion the manner of calculating the Performance Criteria it selects to use for such Performance Period. In the event that applicable tax and/or securities laws change to permit the Committee discretion to alter the governing Performance Criteria without obtaining stockholder approval of such changes, the Committee shall have sole discretion to make such changes without obtaining stockholder approval.

“Performance Formula” means, for a Performance Period, the one or more objective formulas applied against the relevant Performance Goal to determine, with regard to any Performance-Based Award of a particular Participant, whether all, some portion but less than all, or none of the Performance-Based Award has been earned for the Performance Period.

“Performance Goals” means, for a Performance Period, the one or more goals established by the Committee for the Performance Period based upon the Performance Criteria. The Committee is authorized at any time during the first 90 days of a Performance Period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code), or at any time thereafter (but only to the extent the exercise of such authority after such period would not cause a Performance-Based Award granted to any Participant for the Performance Period to fail to qualify as “performance-based compensation” under Section 162(m) of the Code), in its sole and absolute discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period to the extent permitted under Section 162(m) of the Code in order to prevent the dilution or enlargement of the rights of Participants based on the following events: (a) asset write-downs; (b) litigation or claim judgments or settlements; (c) the effect of changes in tax laws, accounting principles or other laws or regulatory rules affecting reported results; (d) any reorganization and restructuring programs; (e) extraordinary nonrecurring items as described in Accounting Principles Board Opinion No. 30 (or any successor or pronouncement thereto) and/or in management’s discussion and analysis of financial condition and results of operations appearing in the Company’s annual report to stockholders for the applicable year; (f) acquisitions or divestitures; (g) any other specific unusual or nonrecurring events, or objectively determinable category thereof; (h) foreign exchange gains and losses; and (i) a change in the Company’s fiscal year.

“Performance Period” means the one or more periods of time, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant’s right to and the payment of a Performance-Based Award.

“Permitted Transferee” means: (a) a member of the Optionholder’s immediate family (child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships), any person sharing the Optionholder’s household (other than a tenant or employee), a trust in which these persons have more than 50% of the beneficial interest, a foundation in which these persons (or the Optionholder) control the management of assets, and any other entity in which these persons (or the Optionholder) own more than 50% of the voting interests; (b) third parties designated by the Committee in connection with a program established and approved by the Committee pursuant to which Participants may receive a cash payment or other consideration in consideration for the transfer of a Non-qualified Stock Option; and (c) such other transferees similar to and designed to effect the purposes set forth in paragraph (a) above as may be permitted by the Committee.

“Plan” means TCF Financial 2015 Omnibus Incentive Plan, as amended and/or amended and restated from time to time.

“Predecessor Plans” means the TCF Financial Incentive Stock Program as last approved by stockholders on April 24, 2013 and the Performance-Based Compensation Policy as last approved by stockholders on April 24, 2013.

“Qualified Performance-Based Award” has the meaning set forth in Section 7.5.

“Related Rights” has the meaning set forth in Section 7.1(a).

“Restricted Award” means any Award granted pursuant to Section 7.2(a).

“Restricted Period” has the meaning set forth in Section 7.2(a).

“Restricted Stock” has the meaning set forth in Section 7.2(a).

“**Restricted Stock Units**” has the meaning set forth in Section 7.2(a).

“**Rule 16b-3**” means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Share**” means a share of Common Stock.

“**Stock Appreciation Right**” means the right pursuant to an Award granted under Section 7.1 to receive, upon exercise, an amount payable in cash or shares equal to the number of shares subject to the Stock Appreciation Right that is being exercised multiplied by the excess of (a) the Fair Market Value of a share of Common Stock on the date the Award is exercised, over (b) the exercise price specified in the Stock Appreciation Right Award Agreement.

“**Ten Percent Stockholder**” means a person who owns (or is deemed to own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of any of its Affiliates.

“**Vested Unit**” has the meaning set forth in Section 7.2(e).

3. Administration.

3.1 Authority of Committee. The Plan shall be administered by the Committee or, in the Board’s sole discretion, by the Board. Subject to the terms of the Plan, the Committee’s charter and Applicable Laws, and in addition to other express powers and authorization conferred by the Plan, the Committee shall have the authority:

- (a) to construe and interpret the Plan and apply its provisions;
- (b) to promulgate, amend, and rescind rules and regulations relating to the administration of the Plan;
- (c) to authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan;
- (d) to delegate its authority to one or more Officers of the Company with respect to Awards that do not involve Covered Employees or “insiders” within the meaning of Section 16 of the Exchange Act;
- (e) to determine when Awards are to be granted under the Plan and the applicable Grant Date;
- (f) from time to time to select, subject to the limitations set forth in this Plan, those Participants to whom Awards shall be granted;
- (g) to determine the number of shares of Common Stock to be made subject to each Award;
- (h) to determine whether each Option is to be an Incentive Stock Option or a Non-qualified Stock Option;

(i) to prescribe the terms and conditions of each Award, including, without limitation, the exercise price and medium of payment and vesting provisions, and to specify the provisions of the Award Agreement relating to such grant;

(j) to designate an Award as a Performance-Based Award, to determine the terms of any Performance-Based Award (including the threshold, target and maximum amount of cash or Shares to be awarded, the Performance Criteria that will be used to establish the Performance Goals and the Performance Period(s)), and to determine the amount of cash or Shares earned by a Participant pursuant to any Performance-Based Award;

(k) to designate any Performance-Based Award as a Qualified Performance-Based Award;

(l) subject to Section 13 hereof, to amend any outstanding Awards, including for the purpose of modifying the time or manner of vesting, or the term of any outstanding Award;

(m) to determine the duration and purpose of leaves of absences which may be granted to a Participant without constituting termination of their employment for purposes of the Plan, which periods shall be no shorter than the periods generally applicable to Employees under the Company's employment policies;

(n) to make decisions with respect to outstanding Awards that the Committee deems necessary upon a change in corporate control or an event that triggers anti-dilution adjustments;

(o) to interpret, administer, reconcile any inconsistency in, correct any defect in and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan; and

(p) to exercise discretion to make any and all other determinations which it determines to be necessary or advisable for the administration of the Plan.

The Committee also may modify the purchase price or the exercise price of any outstanding Award, provided that if the modification results in a repricing, stockholder approval shall be required before the repricing is effective.

3.2 Committee Decisions Final. All decisions made by the Committee pursuant to the provisions of the Plan shall be final and binding on the Company and the Participants, unless such decisions are determined by a court having jurisdiction to be arbitrary and capricious.

3.3 Delegation. The Committee, or if no Committee has been appointed, the Board, may delegate administration of the Plan to a committee or committees of one or more members of the Board, and the term "Committee" shall apply to any person or persons to whom such authority has been delegated. The Committee shall have the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board or the Committee shall thereafter be to the committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may abolish the Committee at any time and revest in the Board the administration of the Plan. The members of the Committee shall be appointed by and serve at the pleasure of the Board. From time to time, the Board may increase or decrease the size of the Committee, add additional members to, remove members (with or without cause) from, appoint new members in substitution therefor, and fill vacancies, however caused, in the Committee. The Committee shall

act pursuant to a vote of the majority of its members or, in the case of a Committee comprised of only two members, the unanimous consent of its members, whether present or not, or by the written consent of the majority of its members and minutes shall be kept of all of its meetings and copies thereof shall be provided to the Board. Subject to the limitations prescribed by the Plan and the Board, the Committee may establish and follow such rules and regulations for the conduct of its business as it may determine to be advisable.

3.4 Committee Composition. The Board shall have discretion to determine whether or not it intends to comply with the exemption requirements of Rule 16b-3 and/or Section 162(m) of the Code. However, if the Board intends to satisfy such exemption requirements, with respect to Awards to any Covered Employee and with respect to any insider subject to Section 16 of the Exchange Act, the Committee shall be a compensation committee of the Board, or an independent subcommittee thereof, that at all times consists solely of two or more Non-Employee Directors who are also Outside Directors. Within the scope of such authority, the Board or the Committee may (a) delegate to a committee of one or more members of the Board who are not Outside Directors the authority to grant Awards to eligible persons who are either (i) not then Covered Employees and are not expected to be Covered Employees at the time of recognition of income resulting from such Award or (ii) not persons with respect to whom the Company wishes to comply with Section 162(m) of the Code or (b) delegate to a committee of one or more members of the Board who are not Non-Employee Directors the authority to grant Awards to eligible persons who are not then subject to Section 16 of the Exchange Act. Nothing herein shall create an inference that an Award is not validly granted under the Plan in the event Awards are granted under the Plan by a compensation committee of the Board that does not at all times consist solely of two or more Non-Employee Directors who are also Outside Directors.

3.5 Indemnification. In addition to such other rights of indemnification as they may have as Directors or members of the Committee, and to the extent allowed by Applicable Laws, the Committee shall be indemnified by the Company against the reasonable expenses, including attorney's fees, actually incurred in connection with any action, suit or proceeding or in connection with any appeal therein, to which the Committee may be party by reason of any action taken or failure to act under or in connection with the Plan or any Award granted under the Plan, and against all amounts paid by the Committee in settlement thereof (provided, however, that the settlement has been approved by the Company, which approval shall not be unreasonably withheld) or paid by the Committee in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee did not act in good faith and in a manner which such person reasonably believed to be in the best interests of the Company, or in the case of a criminal proceeding, had no reason to believe that the conduct complained of was unlawful; provided, however, that within 60 days after institution of any such action, suit or proceeding, such Committee shall, in writing, offer the Company the opportunity at its own expense to handle and defend such action, suit or proceeding.

4. Shares Subject to the Plan.

4.1 Subject to adjustment in accordance with Section 11, the maximum number of Shares that may be issued pursuant to the grant of Awards under the Plan shall be the sum of (i) a total of 6,000,000 shares of Common Stock, (ii) any Shares which are available for grant immediately prior to the Company's Annual Meeting of Stockholders on April 22, 2015 under the Predecessor Plans, and (iii) any Shares relating to the Predecessor Plans which become available for grant after April 22, 2015 under the terms of such Predecessor Plan, all of which may, in the Committee's discretion, be granted as Incentive Stock Options. During the terms of the Awards, the Company shall keep available at all times the number of shares of Common Stock required to satisfy such Awards.

4.2 Shares of Common Stock available for distribution under the Plan may consist, in whole or in part, of authorized and unissued shares or treasury shares.

4.3 Subject to adjustment in accordance with Section 11, no Participant shall be granted, during any calendar year, Options to purchase Common Stock and Stock Appreciation Rights with respect to more than 800,000 shares of Common Stock in the aggregate or any other Awards with respect to more than 500,000 shares of Common Stock in the aggregate. If an Award is to be settled in cash, the number of shares of Common Stock on which the Award is based shall not count toward the individual share limit set forth in this Section 4.

4.4 Any shares of Common Stock subject to an Award that is canceled, forfeited or expires prior to exercise or realization, either in full or in part, shall again become available for issuance under the Plan. Notwithstanding anything to the contrary contained herein: shares subject to an Award under the Plan shall not again be made available for issuance or delivery under the Plan if such shares are (a) shares tendered in payment of an Option, (b) shares delivered or withheld by the Company to satisfy any tax withholding obligation, or (c) shares covered by a stock-settled Stock Appreciation Right or other Awards that were not issued upon the settlement of the Award.

5. Eligibility.

5.1 Eligibility for Specific Awards. Incentive Stock Options may be granted only to Employees. Awards other than Incentive Stock Options may be granted to Employees and those individuals whom the Committee determines are reasonably expected to become Employees following the Grant Date.

5.2 Ten Percent Stockholders. A Ten Percent Stockholder shall not be granted an Incentive Stock Option unless the Option Exercise Price is at least 110% of the Fair Market Value of the Common Stock at the Grant Date and the Option is not exercisable after the expiration of five years from the Grant Date.

6. Option Provisions. Each Option granted under the Plan shall be evidenced by an Award Agreement. Each Option so granted shall be subject to the conditions set forth in this Section 6, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. All Options shall be separately designated Incentive Stock Options or Non-qualified Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates will be issued for shares of Common Stock purchased on exercise of each type of Option. Notwithstanding the foregoing, the Company shall have no liability to any Participant or any other person if an Option designated as an Incentive Stock Option fails to qualify as such at any time or if an Option is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code and the terms of such Option do not satisfy the requirements of Section 409A of the Code. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the following provisions:

6.1 Term. Subject to the provisions of Section 5.2 regarding Ten Percent Stockholders, no Incentive Stock Option shall be exercisable after the expiration of 10 years from the Grant Date. The term of a Non-qualified Stock Option granted under the Plan shall be determined by the Committee; provided, however, no Non-qualified Stock Option shall be exercisable after the expiration of 10 years from the Grant Date.

6.2 Exercise Price.

(a) Incentive Stock Option. Subject to the provisions of Section 5.2 regarding Ten Percent Stockholders, the Option Exercise Price of each Incentive Stock Option shall be not less than 100% of the Fair Market Value of the Common Stock subject to the Option on the Grant Date.

(b) Non-qualified Stock Option. The Option Exercise Price of each Non-qualified Stock Option shall be not less than 100% of the Fair Market Value of the Common Stock subject to the Option on the Grant Date.

6.3 Consideration. The Option Exercise Price of Common Stock acquired pursuant to an Option shall be paid, to the extent permitted by applicable statutes and regulations, either (a) in cash or by certified or bank check at the time the Option is exercised or (b) in the discretion of the Committee, upon such terms as the Committee shall approve, the Option Exercise Price may be paid: (i) by delivery to the Company of other Common Stock, duly endorsed for transfer to the Company, with a Fair Market Value on the date of delivery equal to the Option Exercise Price (or portion thereof) due for the number of shares being acquired, or by means of attestation whereby the Participant identifies for delivery specific shares of Common Stock that have an aggregate Fair Market Value on the date of attestation equal to the Option Exercise Price (or portion thereof) and receives a number of shares of Common Stock equal to the difference between the number of shares thereby purchased and the number of identified attestation shares of Common Stock (a "Stock for Stock Exchange"); (ii) a "cashless" exercise program established with a broker; (iii) by reduction in the number of shares of Common Stock otherwise deliverable upon exercise of such Option with a Fair Market Value equal to the aggregate Option Exercise Price at the time of exercise; (iii) any combination of the foregoing methods; or (iv) in any other form of legal consideration that may be acceptable to the Committee. Notwithstanding the foregoing, during any period for which the Common Stock is publicly traded (i.e., the Common Stock is listed on any established stock exchange or a national market system) an exercise by a Director or Officer that involves or may involve a direct or indirect extension of credit or arrangement of an extension of credit by the Company, directly or indirectly, in violation of Section 402(a) of the Sarbanes-Oxley Act of 2002 or Regulation O shall be prohibited with respect to any Award under this Plan.

6.4 Transferability.

(a) Incentive Stock Option. An Incentive Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Optionholder only by the Optionholder. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

(b) Non-qualified Stock Option. A Non-qualified Stock Option may, in the sole discretion of the Committee, be transferable to a Permitted Transferee, upon written approval by the Committee to the extent provided in the Award Agreement. If the Non-qualified Stock Option does not provide for transferability, then the Non-qualified Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Optionholder only by the Optionholder. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

6.5 Vesting of Options. Each Option that vests solely based on the continued service of the Participant shall vest and therefore become exercisable no earlier than one (1) year after the Grant Date. Each Option that vests based on the achievement of performance or other criteria shall vest and therefore become exercisable no earlier than one (1) year after the Grant Date. No Option may be exercised for a fraction of a share of Common Stock. The Committee may, but shall not be required to, provide for an acceleration of vesting and exercisability in the terms of any Award Agreement upon the occurrence of a specified event.

6.6 Termination of Continuous Service. Unless otherwise provided in an Award Agreement or in an employment agreement the terms of which have been approved by the Committee, in the event an Optionholder's Continuous Service terminates (other than upon the Optionholder's death or Disability), the Optionholder may exercise his or her Option (to the extent that the Optionholder was entitled to exercise such Option as of the date of termination) but only within such period of time ending on the earlier of (a) the date three months following the termination of the Optionholder's Continuous Service or (b) the expiration of the term of the Option as set forth in the Award Agreement; provided that, if the termination of Continuous Service is by the Company for Cause, all outstanding Options (whether or not vested) shall immediately terminate and cease to be exercisable. If, after termination, the Optionholder does not exercise his or her Option within the time specified in the Award Agreement, the Option shall terminate.

6.7 Extension of Termination Date. An Optionholder's Award Agreement may also provide that if the exercise of the Option following the termination of the Optionholder's Continuous Service for any reason would be prohibited at any time because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act or any other state or federal securities law or the rules of any securities exchange or interdealer quotation system, then the Option shall terminate on the earlier of (a) the expiration of the term of the Option in accordance with Section 6.1 or (b) the expiration of a period after termination of the Participant's Continuous Service that is three months after the end of the period during which the exercise of the Option would be in violation of such registration or other securities law requirements.

6.8 Disability of Optionholder. Unless otherwise provided in an Award Agreement, in the event that an Optionholder's Continuous Service terminates as a result of the Optionholder's Disability, the Optionholder may exercise his or her Option (to the extent that the Optionholder was entitled to exercise such Option as of the date of termination), but only within such period of time ending on the earlier of (a) the date 12 months following such termination or (b) the expiration of the term of the Option as set forth in the Award Agreement. If, after termination, the Optionholder does not exercise his or her Option within the time specified herein or in the Award Agreement, the Option shall terminate.

6.9 Death of Optionholder. Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's death, then the Option may be exercised (to the extent the Optionholder was entitled to exercise such Option as of the date of death) by the Optionholder's estate, by a person who acquired the right to exercise the Option by bequest or inheritance or by a person designated to exercise the Option upon the Optionholder's death, but only within the period ending on the earlier of (a) the date 12 months following the date of death or (b) the expiration of the term of such Option as set forth in the Award Agreement. If, after the Optionholder's death, the Option is not exercised within the time specified herein or in the Award Agreement, the Option shall terminate.

6.10 Incentive Stock Option \$100,000 Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and its Affiliates) exceeds \$100,000, the Options or portions thereof which exceed such limit (according to the order in which they were granted) shall be treated as Non-qualified Stock Options.

6.11 No Repricing. Notwithstanding any other provision of this Plan other than Section 11, the Committee may not, without prior approval of the Company's stockholders, seek to effect any repricing of any previously granted, "underwater" Option by: (i) amending or modifying the terms of the Option to lower the exercise price; (ii) canceling the underwater Option and granting either replacement Options having a lower exercise price or other Awards or cash in exchange for such cancellation; or (iii) repurchasing the underwater Options. For purposes of this Section 6.11, an Option will be deemed to be "underwater" at any time when the Fair Market Value of the Common Stock is less than the exercise price of the Option.

7. Provisions of Awards Other Than Options.

7.1 Stock Appreciation Rights.

(a) General. Each Stock Appreciation Right granted under the Plan shall be evidenced by an Award Agreement. Each Stock Appreciation Right so granted shall be subject to the conditions set forth in this Section 7.1, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. Stock Appreciation Rights may be granted alone ("Free Standing Rights") or in tandem with an Option granted under the Plan ("Related Rights").

(b) Grant Requirements. Any Related Right that relates to a Non-qualified Stock Option may be granted at the same time the Option is granted or at any time thereafter but before the exercise or expiration of the Option. Any Related Right that relates to an Incentive Stock Option must be granted at the same time the Incentive Stock Option is granted.

(c) Term. The term of a Stock Appreciation Right granted under the Plan shall be determined by the Committee; provided, however, no Stock Appreciation Right shall be exercisable later than the tenth anniversary of the Grant Date.

(d) Vesting. Each Stock Appreciation Right shall vest and therefore become exercisable no earlier than one (1) year after the Grant Date. No Stock Appreciation Right may be exercised for a fraction of a share of Common Stock. The Committee may, but shall not be required to, provide for an acceleration of vesting and exercisability in the terms of any Award Agreement upon the occurrence of a specified event.

(e) Exercise and Payment. Upon exercise of a Stock Appreciation Right, the holder shall be entitled to receive from the Company an amount equal to the number of shares of Common Stock subject to the Stock Appreciation Right that is being exercised multiplied by the excess of (i) the Fair Market Value of a share of Common Stock on the date the Award is exercised, over (ii) the exercise price specified in the Stock Appreciation Right or related Option. Payment with respect to the exercise of a Stock Appreciation Right shall be made on the date of exercise. Payment shall be made in the form of shares of Common Stock, cash or as otherwise determined by the Committee.

(f) Exercise Price. The exercise price of a Free Standing Right shall be determined by the Committee, but shall not be less than 100% of the Fair Market Value of one share of Common Stock on the Grant Date of such Stock Appreciation Right. Stock Appreciation Rights shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the holder of the Stock Appreciation Right only by such holder. A Related Right granted simultaneously with or subsequent to the grant of an Option and in conjunction therewith or in the alternative thereto shall have the same exercise price as the related Option and shall be exercisable only to the same extent as the related Option; provided, however, that a Stock Appreciation Right,

by its terms, shall be exercisable only when the Fair Market Value per share of Common Stock subject to the Stock Appreciation Right and related Option exceeds the exercise price per share thereof and no Stock Appreciation Rights may be granted in tandem with an Option unless the Committee determines that the requirements of Section 7.1(b) are satisfied.

(g) **Reduction in the Underlying Option Shares.** Upon any exercise of a Related Right, the number of shares of Common Stock for which any related Option shall be exercisable shall be reduced by the number of shares for which the Stock Appreciation Right has been exercised. The number of shares of Common Stock for which a Related Right shall be exercisable shall be reduced upon any exercise of any related Option by the number of shares of Common Stock for which such Option has been exercised.

(h) **No Repricing.** Notwithstanding any other provision of this Plan other than Section 11, the Committee may not, without prior approval of the Company's stockholders, seek to effect any repricing of any previously granted, "underwater" Stock Appreciation Right by: (i) amending or modifying the terms of the Stock Appreciation Right to lower the exercise price; (ii) canceling the underwater Stock Appreciation Right and granting either replacement Stock Appreciation Rights having a lower exercise price; or other Awards or cash in exchange; or (iii) repurchasing the underwater Stock Appreciation Rights. For purposes of this Section 7.1(h), an Stock Appreciation Right will be deemed to be "underwater" at any time when the Fair Market Value of the Common Stock is less than the exercise price of the Stock Appreciation Right.

7.2 Restricted Awards (Including Performance-Based Restricted Awards and Restricted Stock Units).

(a) **General.**

(i) A Restricted Award is an Award of actual Shares ("Restricted Stock") or hypothetical Common Stock units ("Restricted Stock Units") having a value equal to the Fair Market Value of an identical number of shares of Common Stock, which may, but need not, provide that such Restricted Award may not be sold, assigned, transferred or otherwise disposed of, pledged or hypothecated as collateral for a loan or as security for the performance of any obligation or for any other purpose for such period (the "Restricted Period") as the Committee shall determine.

(ii) Shares of Restricted Stock are actual Shares issued to a Participant, and shall be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of one or more stock certificates or delivery to an account in the Participant's name at a broker designated by the Company. "Performance-Based Restricted Stock" is an Award of Shares of Restricted Stock, the vesting of which is subject to the attainment of Performance Goals. In the event that the Committee grants Shares of Performance-Based Restricted Stock, the performance levels to be achieved for each Performance Period and the amount of the Award to be distributed based on the attainment of the Performance Goal or Goals shall be conclusively determined by the Committee.

(iii) Restricted Stock Units are Awards denominated in Shares that will be settled, subject to the terms and conditions of the applicable Award Agreement, (a) in cash, based upon the Fair Market Value of a specified number of Shares, (b) in Shares, or (c) a combination thereof as determined in the sole discretion of the Committee. "Performance-Based Restricted

Stock Units” are Restricted Stock Units with vesting subject to the attainment of Performance Goals. In the event that the Committee grants Performance-Based Restricted Stock Units, the performance levels to be achieved for each Performance Period and the amount of the Award to be distributed based on the attainment of the Performance Goal or Goals shall be conclusively determined by the Committee.

(iv) Each Restricted Award (including Performance-Based Restricted Awards) granted under the Plan shall be evidenced by an Award Agreement. Each Restricted Award (including Performance-Based Restricted Awards) so granted shall be subject to the conditions set forth in this Section 7.2, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement.

(b) Vesting.

(i) The Committee shall, prior to or at the time of grant, condition the vesting or transferability of an Award of Restricted Stock upon the continued service of the applicable Participant or the attainment of Performance Goals, or the attainment of Performance Goals and the continued service of the applicable Participant. In the event that the Committee conditions the grant or vesting of a Restricted Award upon the attainment of Performance Goals (or the attainment of Performance Goals and the continued service of the applicable Participant), the Committee may, prior to or at the time of grant, designate such an Award as a Qualified Performance-Based Award.

(ii) The Restricted Period shall commence on the Grant Date and end no earlier than one (1) year after the Grant Date. Any Restricted Award that vests based on the achievement of Performance Goals or other criteria shall vest no earlier than one (1) year after the Grant Date. The Committee may, but shall not be required to, provide for an acceleration of vesting in the terms of any Award Agreement upon the occurrence of a specified event.

(iii) The conditions for grant, vesting, or transferability and the other provisions of Restricted Awards (including without limitation any Performance Goals applicable to Performance-Based Restricted Awards) need not be the same with respect to each Participant.

(c) Restrictions.

(i) Restricted Stock (including Performance-Based Restricted Stock) and Deferred Restricted Stock awarded to a Participant shall be subject to the following restrictions until the expiration of the Restricted Period, and to such other terms and conditions as may be set forth in the applicable Award Agreement: (A) if an escrow arrangement is used, the Participant shall not be entitled to delivery of the stock certificate; (B) the shares shall be subject to the restrictions on transferability set forth in the Award Agreement; (C) the shares shall be subject to forfeiture to the extent provided in the applicable Award Agreement; and (D) to the extent such shares are forfeited, the stock certificates shall be returned to the Company, and all rights of the Participant to such shares and as a stockholder with respect to such shares shall terminate without further obligation on the part of the Company.

(ii) Restricted Stock Units (including Performance-Based Restricted Stock Units) and Deferred Stock Units awarded to any Participant shall be subject to (A) forfeiture until the expiration of the Restricted Period, and satisfaction of any applicable Performance Goals

during such period, to the extent provided in the applicable Award Agreement, and to the extent such Restricted Stock Units or Deferred Stock Units are forfeited, all rights of the Participant to such Restricted Stock Units or Deferred Stock Units shall terminate without further obligation on the part of the Company and (B) such other terms and conditions as may be set forth in the applicable Award Agreement.

(iii) The Committee shall have the authority to remove any or all of the restrictions on a Restricted Award whenever it may determine that, by reason of changes in Applicable Laws or other changes in circumstances arising after the date such award is granted, such action is appropriate, except to the extent inconsistent with Section 409A of the Code if the applicable Award is subject thereto.

(iv) Each certificate representing Restricted Stock awarded under the Plan shall bear a legend in such form as the Company deems appropriate.

(d) Other Terms and Conditions.

(i) If provided for in an applicable Award Agreement, the applicable Participant may have, with respect to Shares of Restricted Stock, all of the rights of a stockholder of the Company holding the class or series of Common Stock that is the subject of the Restricted Stock, including, if applicable, the right to vote the Shares and the right to receive any dividends and other distributions, provided, however, that in no event shall a dividend or other distribution or dividend equivalent be paid on Performance-Based Restricted Award until all applicable Performance Goals have been attained and the Award has vested.

(ii) If the Committee determines that the Restricted Stock shall be held by the Company or in escrow rather than delivered to the Participant pending the release of the applicable restrictions, the Committee may require the Participant to additionally execute and deliver to the Company (A) an escrow agreement satisfactory to the Committee, if applicable and (B) the appropriate blank stock power with respect to the Restricted Stock covered by such agreement. If a Participant fails to execute an agreement evidencing an Award of Restricted Stock and, if applicable, an escrow agreement and stock power, the Award shall be null and void.

(iii) No shares of Common Stock shall be issued at the time a Restricted Stock Unit is granted, and the Company will not be required to set aside a fund for the payment of any such Award. A Participant shall have no voting rights and shall not be entitled to receive dividends with respect to any Restricted Stock Units granted hereunder.

(iv) The Committee may also grant Restricted Stock or Restricted Stock Units with a deferral feature, whereby settlement is deferred beyond the vesting date until the occurrence of a future payment date or event set forth in an Award Agreement (“Deferred Restricted Stock” or “Deferred Stock Units”).

(v) No Restricted Award may be granted or settled for a fraction of a share of Common Stock.

(e) Delivery of Restricted Stock and Settlement of Restricted Stock Units. Upon the expiration of the Restricted Period with respect to any Shares of Restricted Stock or the expiration

of the deferral period with respect to any outstanding Deferred Restricted Stock, the restrictions set forth in Section 7.2(c) and the applicable Award Agreement shall be of no further force or effect with respect to such Shares, except as set forth in the applicable Award Agreement. If an escrow arrangement is used, upon such expiration, the Company shall deliver to the Participant, or his or her beneficiary, without charge, the stock certificate evidencing the shares of Restricted Stock which have not then been forfeited and with respect to which the Restricted Period has expired (to the nearest full share). Upon the expiration of the Restricted Period with respect to any outstanding Restricted Stock Units, or at the expiration of the deferral period with respect to any outstanding Deferred Stock Units, the Company shall deliver to the Participant, or his or her beneficiary, without charge, one share of Common Stock for each such outstanding vested Restricted Stock Unit or Deferred Stock Unit (“Vested Unit”); provided, however, that, if explicitly provided in the applicable Award Agreement, the Committee may, in its sole discretion, elect to pay cash or part cash and part Common Stock in lieu of delivering only shares of Common Stock for Vested Units. If a cash payment is made in lieu of delivering Shares of Common Stock, the amount of such payment shall be equal to the Fair Market Value of the Common Stock as of the date on which the Restricted Period lapsed in the case of Restricted Stock Units, or the delivery date in the case of Deferred Stock Units, with respect to each Vested Unit.

7.3 Other Stock-Based Awards (Including Other Stock-Based Performance Awards). Other Stock-Based Awards may be granted under the Plan, provided that any Other Stock-Based Awards that are Awards of Shares that are unrestricted shall only be granted in lieu of other compensation due and payable to the Participant. “Other Stock-Based Performance Awards” are Other Stock-Based Awards, the vesting of which is subject to the attainment of Performance Goals. In the event that the Committee grants Other Stock-Based Performance Awards, the performance levels to be achieved for each Performance Period and the amount of the Award to be distributed based on the attainment of the Performance Goal or Goals shall be conclusively determined by the Committee. In no event shall a dividend or other distribution or dividend equivalent be paid on an Other-Stock Based Award that is conditioned upon the achievement of Performance Goals until all applicable Performance Goals have been attained and the Award has vested.

7.4 Performance Cash Awards. Performance Cash Awards may be issued under the Plan, for no cash consideration or for such minimum consideration as may be required by applicable law, either alone or in addition to other Awards. A “Performance Cash Award” is an Award entitling the recipient to payment of a cash amount subject to the attainment of Performance Goals. The Committee may, in connection with the grant of a Performance Cash Award, designate the Award as a Qualified Performance-Based Award. The conditions for grant or vesting and the other provisions of a Performance Cash Award (including without limitation any applicable Performance Goals) need not be the same with respect to each Participant. Performance Cash Awards may be paid in cash, Shares, other property or any combination thereof, in the sole discretion of the Committee as set forth in the applicable Award Agreement. The performance levels to be achieved for each Performance Period and the amount of the Award to be distributed shall be conclusively determined by the Committee.

7.5 Qualified Performance-Based Awards.

(a) General. The Committee shall have the authority, at the time of grant of any Award described in this Plan (other than Options and Stock Appreciation Rights granted with an exercise price equal to or greater than the Fair Market Value per share of Common Stock on the Grant Date), to designate such Award as a Qualified Performance-Based Award in order to qualify such Award as “performance-based compensation” under Section 162(m) of the Code. In addition, the Committee shall have the authority to make an Award of a cash bonus to any Participant and designate such

Award as a Performance Cash Award in order to qualify such Award as “performance-based compensation” under Section 162(m) of the Code.

(b) Eligibility. The Committee will, in its sole discretion, designate within the first 90 days of a Performance Period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code) which Participants will be eligible to receive Qualified Performance-Based Awards in respect of such Performance Period. However, designation of a Participant eligible to receive an Award hereunder for a Performance Period shall not in any manner entitle the Participant to receive payment in respect of any Qualified Performance-Based Award for such Performance Period. The determination as to whether or not such Participant becomes entitled to payment in respect of any Qualified Performance-Based Award shall be decided solely in accordance with the provisions of this Section 7.5. Moreover, designation of a Participant eligible to receive an Award hereunder for a particular Performance Period shall not require designation of such Participant eligible to receive an Award hereunder in any subsequent Performance Period and designation of one person as a Participant eligible to receive an Award hereunder shall not require designation of any other person as a Participant eligible to receive an Award hereunder in such period or in any other period.

(c) Discretion of Committee with Respect to Qualified Performance-Based Awards. With regard to a particular Performance Period, the Committee shall have full discretion to select the length of such Performance Period (provided any such Performance Period shall be not less than one fiscal quarter in duration), the type(s) of Qualified Performance-Based Awards to be issued, the Performance Criteria that will be used to establish the Performance Goal(s), the kind(s) and/or level(s) of the Performance Goal(s) that is (are) to apply to the Company and the Performance Formula. Within the first 90 days of a Performance Period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code), the Committee shall, with regard to the Performance Cash Awards to be issued for such Performance Period, exercise its discretion with respect to each of the matters enumerated in the immediately preceding sentence of this Section 7.5(c) and record the same in writing.

(d) Payment of Qualified Performance-Based Awards.

(i) Condition to Receipt of Payment. Unless otherwise provided in the applicable Award Agreement, a Participant must be employed by the Company on the last day of a Performance Period to be eligible for payment in respect of a Qualified Performance-Based Award for such Performance Period.

(ii) Limitation. A Participant shall be eligible to receive payment in respect of a Qualified Performance-Based Award only to the extent that: (A) the Performance Goals for such period are achieved; and (B) the Performance Formula as applied against such Performance Goals determines that all or some portion of such Participant’s Qualified Performance-Based Award has been earned for the Performance Period.

(iii) Certification. Following the completion of a Performance Period, the Committee shall review and certify in writing whether, and to what extent, the Performance Goals for the Performance Period have been achieved and, if so, calculate and certify in writing the amount of the Qualified Performance-Based Awards earned for the period based upon the Performance Formula. The Committee shall then determine the actual size of each Participant’s Qualified Performance-Based Award for the Performance Period and, in so doing,

may apply Negative Discretion in accordance with Section 7.5(d)(iv) hereof, if and when it deems appropriate.

(iv) Use of Discretion. In determining the actual size of an individual Qualified Performance-Based Award for a Performance Period, the Committee may reduce or eliminate the amount of the Qualified Performance-Based Award earned under the Performance Formula in the Performance Period through the use of Negative Discretion if, in its sole judgment, such reduction or elimination is appropriate. The Committee shall not have the discretion to (A) grant or provide payment in respect of Qualified Performance-Based Awards for a Performance Period if the Performance Goals for such Performance Period have not been attained or (B) increase a Performance Cash Award above the maximum amount payable under Section 7.5(d)(vi) of the Plan.

(v) Timing of Award Payments. Qualified Performance-Based Awards granted for a Performance Period shall be paid to Participants as soon as administratively practicable following completion of the certifications required by this Section 7.3 but in no event later than 2 1/2 months following the end of the calendar year during which the Performance Period is completed.

(vi) Maximum Award Payable. Notwithstanding any provision contained in this Plan to the contrary, the maximum Qualified Performance-Based Award payable during any one (1) year period to any one Participant under the Plan (excluding any Options, Stock Appreciation Rights and cash bonus Awards described in the last sentence of Section 7.5(a)) is 500,000 shares of Common Stock or, in the event such Qualified Performance-Based Award is paid in cash, the equivalent cash value thereof on the first or last day of the Performance Period to which such Award relates, as determined by the Committee. The maximum amount that can be paid in any calendar year to any Participant pursuant to a Performance Cash Award shall be \$7,500,000. Furthermore, any Qualified Performance-Based Award that has been deferred shall not (between the date as of which the Award is deferred and the payment date) increase (A) with respect to a Qualified Performance-Based Award that is payable in cash, by a measuring factor for each fiscal year greater than a reasonable rate of interest set by the Committee or (B) with respect to a Qualified Performance-Based Award that is payable in shares of Common Stock, by an amount greater than the appreciation of a share of Common Stock from the date such Award is deferred to the payment date.

8. Securities Law Compliance. Each Award Agreement shall provide that no shares of Common Stock shall be purchased or sold thereunder unless and until (a) any then applicable requirements of state or federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel and (b) if required to do so by the Company, the Participant has executed and delivered to the Company a letter of investment intent in such form and containing such provisions as the Committee may require. The Company shall use reasonable efforts to seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Awards and to issue and sell shares of Common Stock upon exercise of the Awards; provided, however, that this undertaking shall not require the Company to register under the Securities Act the Plan, any Award or any Common Stock issued or issuable pursuant to any such Award. If, after reasonable efforts, the Company is unable to obtain from any such regulatory commission or agency the authority which counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company shall be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Awards unless and until such authority is obtained.

9. Use of Proceeds from Stock. Proceeds from the sale of Common Stock pursuant to Awards, or upon exercise thereof, shall constitute general funds of the Company.

10. Miscellaneous.

10.1 Acceleration of Exercisability and Vesting Pursuant to a Change in Control. The Committee shall have the power to accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest in accordance with the Plan in connection with a Change in Control, as more fully set forth in Section 12 hereof.

10.2 Stockholder Rights. Except as provided in the Plan or an Award Agreement, no Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to such Award unless and until such Participant has satisfied all requirements for exercise of the Award pursuant to its terms and no adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the date such Common Stock certificate is issued, except as provided in Section 11 hereof.

10.3 No Employment or Other Service Rights. Nothing in the Plan or any instrument executed or Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or shall affect the right of the Company or an Affiliate to terminate (a) the employment of an Employee with or without notice and with or without Cause or (b) the service of a Director pursuant to the By-laws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

10.4 Transfer; Approved Leave of Absence. For purposes of the Plan, no termination of employment by an Employee shall be deemed to result from either (a) a transfer of employment to the Company from an Affiliate or from the Company to an Affiliate, or from one Affiliate to another, or (b) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the Employee's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Committee otherwise so provides in writing, in either case, except to the extent inconsistent with Section 409A of the Code if the applicable Award is subject thereto.

10.5 Withholding Obligations. To the extent provided by the terms of an Award Agreement and subject to the discretion of the Committee, the Participant may satisfy any federal, state or local tax withholding obligation relating to the exercise or acquisition of Common Stock under an Award by any of the following means (in addition to the Company's right to withhold from any compensation paid to the Participant by the Company) or by a combination of such means: (a) tendering a cash payment, or (b) authorizing the Company to withhold shares of Common Stock from the shares of Common Stock otherwise issuable to the Participant as a result of the exercise or acquisition of Common Stock under the Award, provided that any satisfaction of tax obligations through the withholding of shares may only be up to the statutory maximum tax rate; or (c) delivering to the Company previously owned and unencumbered shares of Common Stock of the Company.

11. Adjustments Upon Changes in Stock. In the event of changes in the outstanding Common Stock or in the capital structure of the Company by reason of any stock or extraordinary cash dividend, stock split, reverse stock split, an extraordinary corporate transaction such as any recapitalization, reorganization, merger, consolidation, combination, exchange, or other relevant change in capitalization occurring after the Grant Date of any Award, Awards granted under the Plan and any Award Agreements, the exercise price of Options and Stock Appreciation Rights, the maximum number of shares of Common Stock subject to all Awards stated in Section 4 and the maximum number of shares of Common Stock with respect to which any one person may be granted Awards during any period stated in Section 4 and Section 7.5(d)(vi) will be equitably adjusted or substituted, as to the number, price or kind of a share of Common Stock or other consideration subject to such Awards to the extent necessary to preserve the economic intent of such Award. In the case of adjustments made pursuant to this Section 11, unless the Committee specifically determines that such adjustment is in the best interests of the Company or its Affiliates, the Committee shall, in the case of Incentive Stock Options, ensure that any adjustments under this Section 11 will not constitute a modification, extension or renewal of the Incentive Stock Options within the meaning of Section 424(h)(3) of the Code and in the case of Non-qualified Stock Options, ensure that any adjustments under this Section 11 will not constitute a modification of such Non-qualified Stock Options within the meaning of Section 409A of the Code. Any adjustments made under this Section 11 shall be made in a manner which does not adversely affect the exemption provided pursuant to Rule 16b-3 under the Exchange Act. Further, with respect to Awards intended to qualify as “performance-based compensation” under Section 162(m) of the Code, any adjustments or substitutions will not cause the Company to be denied a tax deduction on account of Section 162(m) of the Code. The Company shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

12. Effect of Change in Control.

12.1 The occurrence of a Change in Control shall not alone result in the accelerated vesting of an Award; provided that the Committee in an Award Agreement may provide for full vesting and exercisability of an Award in connection with a Change in Control. To the extent practicable, any actions required to be taken by the Committee to give effect to the immediately preceding sentence shall occur in a manner and at a time which allows affected Participants the ability to participate in the Change in Control with respect to the shares of Common Stock subject to their Awards.

12.2 In addition, in the event of a Change in Control, the Committee may in its discretion and upon at least 10 days' advance notice to the affected persons, cancel any outstanding Awards and pay to the holders thereof, in cash or stock, or any combination thereof, the value of such Awards based upon the price per share of Common Stock received or to be received by other stockholders of the Company in the event. In the case of any Option or Stock Appreciation Right with an exercise price that equals or exceeds the price paid for a share of Common Stock in connection with the Change in Control, the Committee may cancel the Option or Stock Appreciation Right without the payment of consideration therefor.

12.3 The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of the Company and its Affiliates, taken as a whole.

13. Amendment of the Plan and Awards.

13.1 Amendment of Plan. The Board at any time, and from time to time, may amend or terminate the Plan. However, except as provided in Section 11 relating to adjustments upon changes in Common Stock and Section 13.3, no amendment shall be effective unless approved by the stockholders of the Company to the extent stockholder approval is necessary to satisfy any Applicable Laws. At the time of such amendment, the Board shall determine, upon advice from counsel, whether such amendment will be contingent on stockholder approval.

13.2 Stockholder Approval. The Board may, in its sole discretion, submit any other amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of Section 162(m) of the Code and the regulations thereunder regarding the exclusion of performance-based compensation from the limit on corporate deductibility of compensation paid to certain executive officers.

13.3 Contemplated Amendments. It is expressly contemplated that the Board may amend the Plan in any respect the Board deems necessary or advisable to provide eligible Employees with the maximum benefits provided or to be provided under the provisions of the Code and the regulations promulgated thereunder relating to Incentive Stock Options or to the nonqualified deferred compensation provisions of Section 409A of the Code and/or to bring the Plan and/or Awards granted under it into compliance therewith.

13.4 No Impairment of Rights. Rights under any Award granted before amendment of the Plan shall not be impaired by any amendment of the Plan unless (a) the Company requests the consent of the Participant and (b) the Participant consents in writing.

13.5 Amendment of Awards. The Committee at any time, and from time to time, may amend the terms of any one or more Awards; provided, however, that the Committee may not affect any amendment which would otherwise constitute an impairment of the rights under any Award unless (a) the Company requests the consent of the Participant and (b) the Participant consents in writing.

14. General Provisions.

14.1 Forfeiture Events. The Committee may specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain events, in addition to applicable vesting conditions of an Award. Such events may include, without limitation, breach of non-competition, non-solicitation, confidentiality, or other restrictive covenants that are contained in the Award Agreement or otherwise applicable to the Participant, a termination of the Participant's Continuous Service for Cause, or other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its Affiliates.

14.2 Clawback. Notwithstanding any other provisions in this Plan, any Award which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement).

14.3 Other Compensation Arrangements. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to stockholder approval if such

approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

14.4 Sub-plans. The Committee may from time to time establish sub-plans under the Plan for purposes of satisfying blue sky, securities, tax or other laws of various jurisdictions in which the Company intends to grant Awards. Any sub-plans shall contain such limitations and other terms and conditions as the Committee determines are necessary or desirable. All sub-plans shall be deemed a part of the Plan, but each sub-plan shall apply only to the Participants in the jurisdiction for which the sub-plan was designed.

14.5 Deferral of Awards. The Committee may establish one or more programs under the Plan to permit selected Participants the opportunity to elect to defer receipt of consideration upon exercise of an Award, satisfaction of performance criteria, or other event that absent the election would entitle the Participant to payment or receipt of shares of Common Stock or other consideration under an Award. The Committee may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts, shares or other consideration so deferred, and such other terms, conditions, rules and procedures that the Committee deems advisable for the administration of any such deferral program.

14.6 Unfunded Plan. The Plan shall be unfunded. Neither the Company, the Board nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.

14.7 Recapitalizations. Each Award Agreement shall contain provisions required to reflect the provisions of Section 11.

14.8 Delivery. Upon exercise of a right granted under this Plan, the Company shall issue Common Stock or pay any amounts due within a reasonable period of time thereafter. Subject to any statutory or regulatory obligations the Company may otherwise have, for purposes of this Plan, 30 days shall be considered a reasonable period of time.

14.9 No Fractional Shares. No fractional shares of Common Stock shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, additional Awards or other securities or property shall be issued or paid in lieu of fractional shares of Common Stock or whether any fractional shares should be rounded, forfeited or otherwise eliminated.

14.10 Other Provisions. The Award Agreements authorized under the Plan may contain such other provisions not inconsistent with this Plan, including, without limitation, restrictions upon the exercise of the Awards, as the Committee may deem advisable.

14.11 Section 409A. The Plan is intended to comply with Section 409A of the Code to the extent subject thereto, and, accordingly, to the maximum extent permitted, the Plan shall be interpreted and administered to be in compliance therewith. Any payments described in the Plan that are due within the "short-term deferral period" as defined in Section 409A of the Code shall not be treated as deferred compensation unless Applicable Laws require otherwise. Notwithstanding anything to the contrary in the Plan, to the extent required to avoid accelerated taxation and tax penalties under Section 409A of the Code, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to the Plan during the six (6) month period immediately following the Participant's termination of Continuous Service shall instead be paid on the first payroll date after the six-month anniversary of the Participant's separation from service (or the Participant's death, if earlier). Notwithstanding the foregoing, neither the Company nor

the Committee shall have any obligation to take any action to prevent the assessment of any excise tax or penalty on any Participant under Section 409A of the Code and neither the Company nor the Committee will have any liability to any Participant for such tax or penalty.

14.12 Disqualifying Dispositions. Any Participant who shall make a “disposition” (as defined in Section 424 of the Code) of all or any portion of shares of Common Stock acquired upon exercise of an Incentive Stock Option within two years from the Grant Date of such Incentive Stock Option or within one year after the issuance of the shares of Common Stock acquired upon exercise of such Incentive Stock Option (a “Disqualifying Disposition”) shall be required to immediately advise the Company in writing as to the occurrence of the sale and the price realized upon the sale of such shares of Common Stock.

14.13 Section 16. It is the intent of the Company that the Plan satisfy, and be interpreted in a manner that satisfies, the applicable requirements of Rule 16b-3 as promulgated under Section 16 of the Exchange Act so that Participants will be entitled to the benefit of Rule 16b-3, or any other rule promulgated under Section 16 of the Exchange Act, and will not be subject to short-swing liability under Section 16 of the Exchange Act. Accordingly, if the operation of any provision of the Plan would conflict with the intent expressed in this Section 14.13, such provision to the extent possible shall be interpreted and/or deemed amended so as to avoid such conflict.

14.14 Section 162(m). To the extent the Committee issues any Award that is intended to be exempt from the deduction limitation of Section 162(m) of the Code, the Committee may, without stockholder or grantee approval, amend the Plan or the relevant Award Agreement retroactively or prospectively to the extent it determines necessary in order to comply with any subsequent clarification of Section 162(m) of the Code required to preserve the Company’s federal income tax deduction for compensation paid pursuant to any such Award.

14.15 Beneficiary Designation. Each Participant under the Plan may from time to time name any beneficiary or beneficiaries by whom any right under the Plan is to be exercised in case of such Participant’s death. Each designation will revoke all prior designations by the same Participant, shall be in a form reasonably prescribed by the Committee and shall be effective only when filed by the Participant in writing with the Company during the Participant’s lifetime.

14.16 Expenses. The costs of administering the Plan shall be paid by the Company.

14.17 Severability. If any of the provisions of the Plan or any Award Agreement is held to be invalid, illegal or unenforceable, whether in whole or in part, such provision shall be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining provisions shall not be affected thereby.

14.18 Plan Headings. The headings in the Plan are for purposes of convenience only and are not intended to define or limit the construction of the provisions hereof.

14.19 Non-Uniform Treatment. The Committee’s determinations under the Plan need not be uniform and may be made by it selectively among persons who are eligible to receive, or actually receive, Awards. Without limiting the generality of the foregoing, the Committee shall be entitled to make non-uniform and selective determinations, amendments and adjustments, and to enter into non-uniform and selective Award Agreements.

14.20 Blackout Periods. Notwithstanding any other provision of this Plan or any Award to the contrary, the Company shall have the authority to establish any “blackout” period that the Company deems necessary or advisable with respect to any or all Awards.

14.21 Written Materials; Electronic Documents. Electronic documents may be substituted for any written materials required by the terms of the Plan, including, without limitation, Award Agreements.

15. Effective Date of Plan. The Plan was approved by the Board on January 23, 2015, subject to and contingent upon approval by the stockholders of the Company, which approval shall be within twelve (12) months of Board approval.

16. Termination or Suspension of the Plan. The Plan shall terminate automatically on January 25, 2025. No Award shall be granted pursuant to the Plan after such date, but Awards theretofore granted may extend beyond that date. The Board may suspend or terminate the Plan at any earlier date pursuant to Section 13.1 hereof. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated. Unless the Company determines to submit Section 7.3 of the Plan and the definition of “Performance Goal” and “Performance Criteria” to the Company’s stockholders at the first stockholder meeting that occurs in the fifth year following the year in which the Plan was last approved by stockholders (or any earlier meeting designated by the Board), in accordance with the requirements of Section 162(m) of the Code, and such stockholder approval is obtained, then no further Qualifying Performance-Based Awards shall be made to Covered Employees under Section 7.3 after the date of such annual meeting, but the Plan may continue in effect for Awards to Participants not in accordance with Section 162(m) of the Code.

17. Choice of Law. The law of the State of Delaware shall govern all questions concerning the construction, validity and interpretation of this Plan, without regard to such state’s conflict of law rules.

18. This Plan was adopted by the Board on January 23, 2015 and approved by the stockholders on April 22, 2015 at the 2015 Annual Meeting of Stockholders. The Board approved a 4.0 million increase in the number of authorized shares under this Plan on January 25, 2018, effective upon obtaining stockholder approval at the 2018 Annual Meeting of Stockholders. The increase in authorized shares shall be null and void if stockholder approval is not obtained within twelve (12) months of the adoption of the amendment to the Plan by the Board.

Section 3: EX-10.2 (EXHIBIT 10.2)

EXHIBIT 10.2

AMENDED AND RESTATED DIRECTORS STOCK GRANT PROGRAM

1. **PURPOSE**

The purpose of the Amended and Restated Directors Stock Grant Program (the “Program”) is to attract and retain qualified individuals to serve as directors of TCF Financial Corporation (“TCF Financial”), and to encourage and enhance ownership of TCF common stock, par value \$.01 per share (“TCF Stock”) by these individuals.

2. **ADMINISTRATION**

Full power to construe, interpret and administer the program is vested with a committee consisting of the non-employee directors (as defined by Rule 16b-3 of the Securities and Exchange Commission (the “SEC”)) of the Board of TCF Financial (the “Committee”). In the event such directors at some time do not qualify as non-employee directors for the purposes of Rule 16b-3, if approval by a committee composed solely of non-

employee directors is then appropriate in order for the shares of TCF Stock awarded under the Program to be exempt under Rule 16b-3, then the Board of Directors will appoint a new Committee which qualifies under the provisions of Rule 16b-3 as then in effect. The Committee shall interpret the Program, prescribe, amend and rescind rules and regulations relating thereto, and make all other determinations necessary or advisable for the administration of the Program.

3. **PARTICIPANTS**

Participants in the Program will consist of the each member of the Board of Directors of TCF Financial who is not an employee or officer.

4. **BENEFITS**

Each eligible director of TCF Financial will periodically receive formula awards of restricted shares of TCF Stock without other payment as additional compensation for their services to TCF Financial.

Awards will be made automatically on the third Tuesday of each January (each, a "Grant Date").

Commencing with the award made on January 15, 2019, each award will be equal in value to \$55,000. A director first elected by the board between Grant Dates will receive a pro-rated award based on the number of months from the beginning of board service until the next Grant Date. The number of restricted shares of TCF Stock subject to each award will be determined on the basis of the Fair Market Value of TCF Stock on the day the award is made.

Each award will vest on the next Grant Date after the date the award was made; provided that awards granted on May 1, 2018 shall vest on May 1, 2019. The director must be on the board on the vesting date in order to receive the vested shares unless the shares have previously vested pursuant to a retirement under the circumstances described below.

A one-time grant equal in value to \$10,000 shall be made on May 1, 2018 to all directors. A director first elected by the board after May 1, 2018, but prior to December 31, 2018 will receive a pro-rated award based on the number of months from the beginning of board service until the next Grant Date. The number of restricted shares of TCF Stock awarded will be determined on the basis of the Fair Market Value of TCF Stock on the day the award is made.

All Awards

If a director retires from service on the board of TCF Financial pursuant to board policy on director retirement in effect at that time, the restricted period will lapse and all shares will become fully vested. There is no vesting in the event of a full or partial disability.

During the time the shares are restricted, they may not be assigned, transferred, pledged or encumbered by the directors, and any attempt to do so shall be void, and a legend will be placed on the stock certificates (or book-entry shares, if applicable) to that effect.

5. DEFINITIONS

FAIR MARKET VALUE

The term "Fair Market Value" of shares of TCF Stock at any time shall be the average of the high and low sales prices for shares of TCF Stock for the date, as reported by the New York Stock Exchange.

CHANGE IN CONTROL

A "Change in Control" shall be deemed to have occurred if:

- (a) any "person" as defined in Section 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act") is or becomes the "beneficial owner" as defined in Rule 13d-3 under the Exchange Act, directly or indirectly, of securities of TCF Financial representing thirty percent (30%) or more of the combined voting power of TCF Financial's then outstanding securities. For purposes of this clause (a), the term "beneficial owner" does not include any employee benefit plan maintained by TCF Financial that invests in TCF Financial's voting securities; or
- (b) during any period of two (2) consecutive years there shall cease to be a majority of the Board comprised as follows: individuals who at the beginning of such period constitute the Board or as new directors whose nomination for election by TCF Financial's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election previously so approved; or
- (c) the shareholders of TCF Financial approve a merger or consolidation of TCF Financial with any other corporation, other than a merger or consolidation which would result in the voting securities of TCF

Financial outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 70% of the combined voting power of the voting securities of TCF Financial or such surviving entity outstanding immediately after such merger of consolidation, or the shareholders of TCF Financial approve a plan of complete liquidation of TCF Financial or an agreement for the sale or disposition by TCF Financial of all or substantially all TCF Financial's assets; provided, however, that no change in control will be deemed to have occurred if such merger, consolidation, sale or disposition of assets, or liquidation is not subsequently consummated.

RETIREMENT

The term "retirement" means a retirement under the policies of the Board of Directors of TCF Financial in effect at the time of a director's departure from the Board.

6. ADJUSTMENT PROVISIONS

If TCF Financial shall at any time change the number of issued shares of TCF Stock without new consideration to TCF Financial (such as by stock dividends or stock splits), then the number of shares covered by each outstanding award shall be adjusted so that the limitations, and the value of each such award shall not be changed. The Committee shall also have the right to provide for the continuation of awards or for other equitable adjustments after changes in the shares of TCF Stock resulting from reorganization, sale, merger, consolidation or similar occurrence.

Notwithstanding any other provision of this Program, the Committee may authorize the issuance or assumption of the grants in connection with any merger, consolidation, acquisition of property or stock, or reorganization upon such terms and conditions as it may deem appropriate.

All terms and conditions of all restricted stock awards outstanding shall be deemed satisfied and all such awards shall vest as of the date of a Change in Control.

7. AMENDMENT AND TERMINATION OF PROGRAM

The Board of Directors of TCF Financial or the Committee may amend this Program from time to time, but not more often than once every six months, other than to comply with requirements of the Internal Revenue Code, or may terminate this Program at any time, but no action shall reduce the then existing amount of any participant's benefit or adversely change the terms and conditions thereof without the participant's consent. No amendment of this Program shall result in any Committee member losing his or her status as a "non-employee director" as defined in Rule 16b-3 of the Securities and Exchange Commission with respect to any employee benefit plan of TCF Financial. This Program shall expire ten years from the date of its most recent approval by shareholders, unless the shareholders approve renewal of this Program before it expires.

8. SHAREHOLDER APPROVAL

This Program will be submitted to the TCF Shareholders for approval on April 25, 2018 and will become effective upon receipt of such approval.

[\(Back To Top\)](#)

Section 4: EX-10.3 (EXHIBIT 10.3)

EXHIBIT 10.3

EMPLOYMENT AGREEMENT

THIS AGREEMENT (this "Agreement") is made and entered into effective as of April 25, 2018 (the "Effective Date"), between TCF FINANCIAL CORPORATION, a Delaware corporation (the "Company") and CRAIG R. DAHL ("Executive").

RECITALS:

WHEREAS, the Company is a bank holding company and Executive is the Chief Executive Officer of the Company; and

WHEREAS, Executive and the Company have entered into the Employment Agreement effective as of January 1, 2016 (the "2016 Employment Agreement"); and

WHEREAS, Executive and the Company wish to enter into this Agreement which shall supersede the 2016 Employment Agreement effective as of the Effective Date,

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, the parties agree as follows:

1. Employment and Duties. For the period described in paragraph 2 below, Executive shall be employed as the Chief Executive Officer of the Company with overall responsibility for the business and affairs of the Company and Executive's powers and authority shall be superior to those of any other officer or employee of the Company or its subsidiaries. In discharging such duties and responsibilities, Executive may also serve as an executive officer and/or director of any direct or indirect subsidiary of the Company (collectively, the "TCF Subsidiaries"). Executive shall report directly to the Company's Board of Directors (the "Board"). During the term of his employment as Chief Executive Officer under this Agreement, Executive shall apply on a full-time basis (allowing for usual vacations and sick leave) all of his skill and experience to the performance of his duties in his positions with the Company and the TCF Subsidiaries. It is understood that Executive may have other business investments and participate in other business, charitable, non-profit, or civic ventures which shall not interfere or be inconsistent with his duties under this Agreement. Executive shall perform his duties at the Company's principal executive offices in Wayzata, Minnesota or at such other location as may be mutually agreed upon by Executive and the Company; provided that Executive shall travel to other locations at such times as may be necessary for the performance of his duties under this Agreement.

2. Term of Employment. Unless sooner terminated as hereinafter provided, the term of this Agreement shall commence on the Effective Date and shall continue through December 31, 2020; provided, however, that in the event a Change in Control shall have occurred during the term of this Agreement, this Agreement shall expire on the later of December 31, 2020 or the day which is twenty-four months following the date on which such Change in Control occurred. This Agreement may be extended by the mutual agreement in writing of the parties.

3. Compensation and Benefits. During the term of this Agreement, Executive shall be entitled to the following compensation and benefits:

(a) Base Salary, Bonus. Executive shall receive:

(i) An annual base salary (the "Annual Base Salary") of at least Nine Hundred Twenty-Seven Thousand and No/100 Dollars (\$927,000.00); and

(ii) Such bonus as the Board or Compensation, Nominating, and Corporate Governance Committee of the Board (the "Compensation Committee") may determine as the incentive plan for the Chief Executive Officer of the Company, consistent with the Company's executive compensation plan design, or such bonus plan design as the Board may from time to time determine thereafter.

Executive shall not receive director's fees paid to non-employee directors or an annual fee for serving as Chairman of the Board or as a director during the period of this Agreement.

(b) Stock Incentives. Executive shall be eligible to receive such awards under any of the Company's stock incentive based plans as may be determined by the Compensation Committee from time to time.

(c) Reimbursement of Expenses. The Company shall reimburse Executive for all business expenses properly documented, including without limitation, Executive's reasonable legal fees incurred in the preparation of this Agreement. Any such payments shall be made no later than 2 ½ months after the end of the calendar year in which the expense was incurred.

(d) Aircraft. During the term of this Agreement, and provided that the Company continues to own or leases an aircraft, Executive shall be entitled to reasonable use of the Company's corporate aircraft, provided that Executive shall be responsible for all individual income taxes resulting from his use of the aircraft for non-business travel, and such usage shall be reviewed annually by the Compensation Committee.

(e) Other Benefits. Executive shall be entitled to participate in and shall be included in any employee benefit plan, pension plan, supplemental employee retirement plan, fringe benefit programs or similar plan of the Company now existing or established hereafter to the extent that he is eligible under the general provisions thereof.

(f) Perquisites. Executive shall be entitled to other perquisites provided to executive officers, subject to annual review by the Compensation Committee. Payment of perquisites, if any, shall be made no later than 2½ months after the end of the calendar year in which Executive was entitled to such payments.

(g) Clawback. Notwithstanding anything in this Agreement to the contrary, in the event of a restatement of financial results by the Company, the Audit Committee of the Board shall determine (after reasonable notice to Executive and an opportunity for Executive, together with his legal counsel, to be heard before the Audit Committee) whether or not repayment of any compensation is required under Section 304 of the Sarbanes-Oxley Act. If the Audit Committee determines that such repayment is required, the Audit Committee shall make a demand for repayment by Executive of any bonus or other incentive-based or equity-based compensation, and any profits realized from the sale of TCF stock or other TCF securities, which are required to be returned to the Company as a result of Section 304 of the Sarbanes-Oxley Act. Executive shall promptly tender such repayment unless he disputes the findings of the Audit Committee. In addition to the foregoing, all compensation received by Executive pursuant to this Agreement or pursuant to awards made under the Company's stock incentive plans will also be subject to, and Executive shall comply with, any "clawback" policy adopted by the Board of the Company or any committee thereof that is applicable to

officers of the Company in response to or in anticipation of the listing standards to be established by national securities exchanges and associations in accordance with Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

4. Termination of Employment.

(a) Termination without Cause. The Company may terminate Executive's employment without Cause at any time and for any lawful reason upon thirty (30) days advance written notice to Executive.

(i) Absent Change in Control. In the event Executive's employment with the Company is terminated by the Company without Cause during the term of this Agreement, except for a termination which occurs during the term of this Agreement on or after the day which is six months prior to a Change in Control, Executive shall be entitled to a lump sum amount equal to two and one-half (2.5) times Annual Base Salary (as set forth in paragraph 3) payable within thirty (30) days after the date of termination; provided that if a Change in Control takes place following a payment made under this Section 4(a)(i) such that the Change in Control would instead trigger a payment under Section 4(a)(ii) below, a supplemental payment in the amount of the difference between the amount paid and the amount that would be due under Section 4(a)(ii) below shall be paid to Executive within 30 days of the Change in Control in lieu of a payment under Section 4(a)(ii).

(ii) Change in Control. In the event Executive's employment with the Company is terminated by the Company without Cause during the term of this Agreement on or after the day which is six months prior to a Change in Control, Executive shall be entitled to a lump sum amount equal to two and one-half (2.5) times Annual Base Salary (as set forth in paragraph 3) plus two and one-half (2.5) times the annual bonus (which annual bonus for this purpose shall be assumed to be equal to 100% of the Annual Base Salary) payable within thirty (30) days after the date of termination; provided for clarity that if a payment has been made pursuant to Section 4(a)(i) before a Change in Control takes place, Executive shall be entitled to the supplemental payment referred to above in Section 4(a)(i) in lieu of the payment referred to in this sentence.

(iii) Additional Payments. In addition, in the event of a termination of the Executive's employment by the Company without Cause whether before, upon or after a Change in Control and such termination occurs after the end of the Company's fiscal year but prior to the payment of any annual bonus payable to Executive under the bonus program applicable to such fiscal year, the Company shall pay Executive the annual bonus earned by Executive under such bonus program when bonuses are paid to other recipients under such bonus program, but not later than 2½ months after the end of the calendar year in which the termination occurs. If Executive timely elects to continue Executive's group health and dental insurance coverage pursuant to applicable COBRA/continuation law and the terms of the respective benefit plans, the Company shall pay, on Executive's behalf, the monthly premiums for such coverage for the lesser of twelve (12) months or such time as Executive's COBRA/continuation rights expire.

(iv) Release Required. Any payment made under this Section 4(a) shall be subject to and contingent upon Executive having executed and delivered to the Company a general release in the Company's customary form within 30 days of such termination.

(b) Termination for Good Reason by Executive. By following the procedure set forth in paragraph 4(d), Executive shall have the right to terminate his employment with the Company for "Good Reason" in the event there is: (i) any material diminution in the scope of Executive's authority and responsibility, including, without limitation, as a result of a reallocation of Executive's job duties, (provided, however, that

(a) in the event of any illness or injury which disables Executive from performing Executive's duties, the Company may reassign Executive's duties to one or more other employees until Executive is able to perform such duties; and (b) no longer serving as either Chairman, President, or both shall not be a material diminution in the scope of Executive's authority); (ii) a material diminution in Executive's base compensation (salary, bonus opportunity, benefits or perquisites); (iii) a material change (greater than 50 miles) in the geographic location of Executive's principal place of employment; (iv) a requirement that Executive report to a supervisor other than the Company's Board; (v) the failure of any acquirer of or successor to the Company to assume the obligations of the Company under this Agreement in connection with a Change in Control; or (vi) any other action or inaction that constitutes a material breach by the Company of this Agreement.

(i) Absent Change in Control. If the employment of Executive is terminated by him during the term of this Agreement for Good Reason, except for a termination by Executive for Good Reason which occurs during the term of this Agreement on or after the day which is six months prior to a Change in Control, Executive shall be entitled to a lump sum amount equal to two and one-half (2.5) times Annual Base Salary (as set forth in paragraph 3) payable within thirty (30) days after the date of termination.

(ii) Change in Control. If the employment of Executive is terminated by him during the term of this Agreement for Good Reason on or after the day which is six months prior to a Change in Control, Executive shall be entitled to a lump sum amount equal to two and one-half (2.5) times Annual Base Salary (as set forth in paragraph 3) plus two and one-half (2.5) times the annual bonus (which annual bonus for this purpose shall be assumed to be equal to 100% of the Annual Base Salary) payable within thirty (30) days after the date of termination; provided that if a Change in Control takes place following a payment made under Section 4(b)(i) such that the Change in Control would instead trigger a payment under this Section 4(b)(ii), a supplemental payment in the amount of the difference between the amount paid under Section 4(b)(i) and the amount that would be due under this Section 4(b)(ii) shall be paid to Executive within 30 days of the Change in Control in lieu of a payment under this Section 4(b)(ii).

(iii) Additional Payments. In addition, in the event of a termination of the Executive's employment by Executive for Good Reason whether before, upon or after a Change in Control and such termination occurs after the end of the Company's fiscal year but prior to the payment of any annual bonus payable to Executive under the bonus program applicable to such fiscal year, the Company shall pay Executive the annual bonus earned by Executive under such bonus program when bonuses are paid to other recipients under such bonus program, but not later than 2½ months after the end of the calendar year in which the termination occurs. If Executive timely elects to continue Executive's group health and dental insurance coverage pursuant to applicable COBRA/continuation law and the terms of the respective benefit plans, the Company shall pay, on Executive's behalf, the monthly premiums for such coverage for the lesser of twelve (12) months or such time as Executive's COBRA/continuation rights expire.

(iv) Release Required. Any payment made under this Section 4(b) shall be subject to and contingent upon Executive having executed and delivered to the Company a general release in the Company's customary form within 30 days of such termination,

(c) Termination for Cause by the Company. Termination for "Cause" shall include the following: (i) the deliberate and continued material failure by the Executive to devote substantially all the Executive's business time and best efforts to the performance of the Executive's duties (other than any such failure

resulting from the Executive's incapacity due to physical or mental illness or any such actual or anticipated failure after the issuance of a notice of termination for Good Reason by the Executive pursuant to Section 4(d) hereof) after a written demand for substantial performance is delivered to the Executive by the Board which demand specifically identifies the manner in which the Board believes the Executive has not substantially performed such duties, and the Executive fails to cure the specified performance issue within the reasonable period specified in the notice which shall not be less than thirty (30) days; (ii) a deliberate and material violation of reasonable and lawful instructions of the Board, provided such instruction does not violate this Agreement or any other written agreement between the Executive and the Company; (iii) the deliberate engaging by the Executive in gross misconduct which is demonstrably and materially injurious to the Company, monetarily or otherwise; (iv) the Executive's conviction of, or plea of guilty or nolo contendere to, a felony or any criminal charge involving moral turpitude and all appeals from such conviction have been exhausted; or (v) Executive's failure or refusal to comply with a reasonable and lawful policy, standard or regulation of Company in any material respect, relating to sexual harassment, other unlawful harassment or workplace discrimination.

(d) Notice and Right to Cure. In the event Executive proposes to terminate his employment for Good Reason under paragraph 4(b) above, Executive shall first provide written notice to the Company of the existence of the condition described as Good Reason in paragraph 4(b) above not more than 90 days after Executive's actual knowledge of the initial existence of the condition. The Company will have an opportunity to correct any curable situation to the reasonable satisfaction of Executive within the period of time specified in the notice which shall not be less than thirty (30) days. If such correction is not so made or the circumstances or situation is such that it is not curable, Executive may, within thirty (30) days after the expiration of the time so fixed within which to correct such situation (but not more than two years after the initial existence of the Good Reason), give written notice to the Company that his employment is terminated for Good Reason effective forthwith.

(e) Definition of Change in Control. For the purposes of this Agreement a "Change in Control" shall be deemed to have occurred if

(i) any "person" as defined in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act") is or becomes the "beneficial owner" as defined in Rule 13d-3 under the Exchange Act, directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities. For purposes of this clause (a), the term "beneficial owner" does not include any employee benefit plan maintained by the Company that invests in the Company's voting securities; or

(ii) during any period of two (2) consecutive years there shall cease to be a majority of the Board comprised as follows: individuals who at the beginning of such period constitute the Board or new directors whose nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved; or

(iii) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 70% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or the stockholders of the company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition

by the Company of all or substantially all the Company's assets; provided, however, that no change in control will be deemed to have occurred if such merger, consolidation, sale or disposition of assets, or liquidation is not subsequently consummated.

5. Covenant Not to Compete; Non-Solicitation Covenants.

(a) Covenant Not to Compete during Employment. During Executive's employment under this Agreement, Executive agrees that he will not directly or indirectly substantially compete with the Company, TCF National Bank or their subsidiaries, including but not limited to TCF Inventory Finance, Inc. Winthrop Resources, Inc., or any other subsidiary subsequently acquired or created by the Company (the "TCF Companies") in the Relevant Market. The "Relevant Market" is the States within the United States and the Provinces in Canada where any of the TCF Companies are doing business or have done business during Executive's employment under this Agreement.

(b) Non-Solicitation Covenants. During Executive's employment under this Agreement and (i) for one (1) year following a termination of Executive without Cause by the Company or a termination by Executive for Good Reason if no Change in Control has occurred at the time of such termination and no Change in Control takes place within six months following such termination, or (ii) for two (2) years in the case of a termination of Executive without Cause by the Company or a termination by Executive for Good Reason if the termination occurs on a date following the day which is six months prior to a Change in Control Executive agrees that, except with the prior written permission of the Board of the Company, he will not: (x) offer to hire, entice away, or in any manner attempt to persuade any officer, employee, or agent of any of the TCF Companies to discontinue his or her relationship with any of the TCF Companies, and (y) directly or indirectly solicit, divert, take away or attempt to solicit any business of any of the TCF Companies as to which Executive has acquired any knowledge during the term of his employment with any of the TCF Companies.

(c) Remedies. If Executive commits a breach, or threatens to commit a breach, of any of the provisions of this paragraph 5, the Company shall have the right of specific performance in addition to any rights and remedies otherwise available at law or in equity.

6. Section 280G and Executive Officer Severance Policy Compliance.

(a) Certain Payment Reductions. Anything to the contrary notwithstanding, the amount of any payment, distribution or benefit made or provided by the Company to or for the benefit of Executive in connection with a change in control of the Company or the termination of Executive's employment with the Company, whether payable pursuant to this Agreement or any other agreement between Executive and the Company or with any person constituting a member of an "affiliated group" (as defined in Section 280G(d)(5) of the Internal Revenue Code of 1986, as amended (the "Code")) with the Company or with any person whose actions result in a change of control of the Company (such foregoing payments or benefits referred to collectively as the "Total Payments"), shall be reduced (but not below zero) by the amount, if any, necessary to prevent any part of the Total Payments from being treated as an "excess parachute payment" within the meaning of Section 280G(b)(1) of the Code, but only if and to the extent such reduction will also result in, after taking into account all applicable state and federal taxes (computed at the highest marginal rate) including Executive's share of F.I.C.A. and Medicare taxes and any taxes payable pursuant to Section 4999 of the Code, a greater after-tax benefit to Executive than the after-tax benefit to Executive of the Total Payments computed without regard to any such-reduction. For purposes of the foregoing, (i) no portion of the Total Payments shall be taken into account which in the opinion of tax counsel selected by the Company and acceptable to Executive does not constitute a "parachute payment" within the meaning of section 280G(b)

(2) of the Code; (ii) any reduction in payments shall be computed by taking into account that portion of Total Payments which constitute reasonable compensation within the meaning of Section 280G(b)(4) of the Code in the opinion of such tax counsel; (iii) the value of any non-cash benefit or of any deferred cash payment included in the Total Payments shall be determined by the Company in accordance with the principles of Section 280G(d)(3)(iv) of the Code; and (iv) in the event of any uncertainty as to whether a reduction in Total Payments to Executive is required pursuant to this paragraph, the Company shall initially make the payment to Executive and Executive shall be required to refund to the Company any amounts ultimately determined not to have been payable under the terms of this paragraph 6.

(b) Determination of Certain Payment Reductions. Executive will be permitted to provide the Company with written notice specifying which of the Total Payments will be subject to reduction or elimination (the "Reduction Notice"). But, if Executive's exercise of authority pursuant to the Reduction Notice would cause any Total Payments to become subject to any taxes or penalties pursuant to Section 409A of the Code or if Executive fails to timely provide the Company with the Reduction Notice, then the Company will reduce or eliminate the Total Payments in the following order:

- (i) first, by reducing or eliminating the portion of the Total Payments that are payable in cash and
- (ii) second, by reducing or eliminating the non-cash portion of the Total Payments,

in each case, in reverse chronological order beginning with payments or benefits under the most recently dated agreement, arrangement or award.

Except as set forth in this subparagraph b., any Reduction Notice will take precedence over the provisions of any other plan, arrangement or agreement governing Executive's rights and entitlements to any benefits or compensation.

(c) Executive Officer Severance Policy Compliance. To the extent that this Agreement would provide compensation to Executive that would violate the terms of the Company's Executive Officer Severance Policy as from time to time adopted by the Board and in effect at the time of the termination of the Executive's employment with the Company, Benefits (as that term is defined in the Executive Officer Severance Policy) payable to Executive shall be reduced by the Company in the smallest amount necessary to comply with the Executive Officer Severance Policy.

7. Section 409A of the Internal Revenue Code. The arrangements described in this Agreement are intended to comply with Section 409A of the Internal Revenue Code to the extent such arrangements are subject to that law. Only to the extent the payments set forth in paragraphs 4(a) and 4(b) of this Agreement are subject to Code Section 409A, and only to the further extent Executive is a "specified employee" (within the meaning of Section 409A), payments of Base Salary or annual bonus as provided in those paragraphs shall not be made until the date which is six (6) months and one day after Executive incurs a "separation of service" (within the meaning of Section 409A) and on such pay date, the Company shall pay Executive all payments that otherwise would have been paid during such six-month period but for Executive's status as a "specified employee." The parties agree that they will negotiate in good faith regarding amendments necessary to bring this Agreement into compliance with the terms of that Section or an exemption therefrom as interpreted by guidance issued by the Internal Revenue Service. The parties further agree that to the extent any part of this Agreement fails to qualify for exemption from or satisfy the requirements of Section 409A, the affected arrangement may be operated in compliance with Section 409A pending amendment to the extent authorized by the Internal Revenue Service. In such circumstances the Company will administer this Agreement in a manner which adheres as closely as possible to the existing terms and intent of the Agreement while complying with Section 409A. This paragraph does not restrict the Company's rights (including, without

limitation, the right to amend or terminate) with respect to this Agreement to the extent such rights are reserved under the terms of this Agreement.

8. Attorney's Fees. In the event of a dispute between the Company and Executive relating to Executive's services hereunder or the terms or performance of this Agreement, including, but not limited to, paragraphs 3(g) and 4(d) of this Agreement, the Company shall promptly pay Executive's reasonable expenses of attorney's fees and expenses in connection with such dispute upon delivery of periodic billings for same, provided that (i) Executive shall promptly repay all amounts paid under this paragraph at the conclusion of such dispute if the resolution thereof includes a finding that Executive did not act in good faith in the matter in dispute or in the dispute proceeding itself, and (ii) no claim for expenses of representation shall be submitted by Executive unless made in writing to the Board within 90 days after receipt of billing for such representation. Any such payment shall be made promptly, and in any event no later than the end of the calendar year following the year in which the expense was incurred.

9. Other Benefits. The benefits provided under this Agreement shall, except to the extent otherwise specifically provided herein, be in addition to, and not in derogation or diminution of, any benefits that Executive or his beneficiary may be entitled to receive under any other plan or program now or hereafter maintained by the Company or TCF Subsidiaries.

10. Successors. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business and/or assets of the Company, to expressly assume and agree to perform its obligations under this Agreement in the same manner and to the same extent that the Company would be required to perform them if no succession had taken place unless, in the opinion of legal counsel mutually acceptable to the Company and Executive, such obligations have been assumed by the successor as a matter of law. Executive's rights under this Agreement shall inure to the benefit of and shall be enforceable by, Executive's legal representative or other successors in interest, but shall not otherwise be assignable or transferable.

11. Other Agreements. This Agreement supersedes and replaces as of the Effective Date all prior agreements or understandings relating to the terms of Executive's service with the Company, including the 2016 Employment Agreement. This Agreement does not supersede or replace any agreement between the Company and Executive pursuant to any plans or programs of the Company, including any stock option agreement, restricted stock agreement or supplemental retirement agreement.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. Any disputes arising under this Agreement shall be venued in the State or Federal courts located in the State of Minnesota, County of Hennepin, the parties consenting to such jurisdiction.

IN WITNESS WHEREOF, the parties have duly executed this Agreement effective as of the day and year first written above.

TCF FINANCIAL CORPORATION

WITNESS:

/s/ Charlene L. Wegleitner

/s/ Vance K. Opperman
By: Vance K. Opperman
Its: Lead Director

WITNESS:

/s/ Kirk D. Johnson

/s/ Craig R. Dahl
Craig R. Dahl

[\(Back To Top\)](#)